



CN and the Atlantic Gateway

Positioned for growth

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Atlantic Gateway Symposium
Panel - Making it Happen
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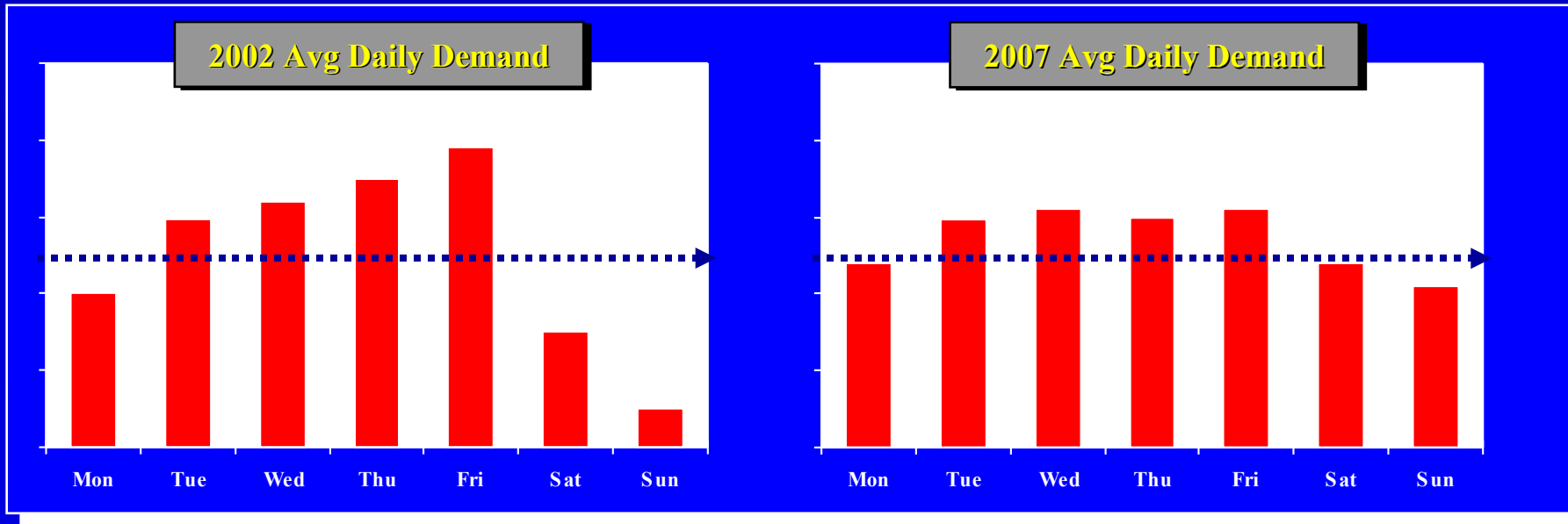
CN Has Invested Heavily In Infrastructure In The Atlantic Gateway

- ✓ \$2M investment at Brampton (additional pad tracks)
- ✓ \$24M in extended sidings (Halifax to Montreal)
- ✓ \$100M in terminals (Montreal and Memphis)
- ✓ \$325M in cars and locomotives (+ 50 locos in 2007)



**Significant Capacity to Handle Growth
Reliable Service to Major Markets**

CN Has Created Capacity Through Innovation



Intermodal Excellence MX

Re-engineered Operating Plan

Train

- ✓ Run fixed capacity train consists
- ✓ Achieve reliable service

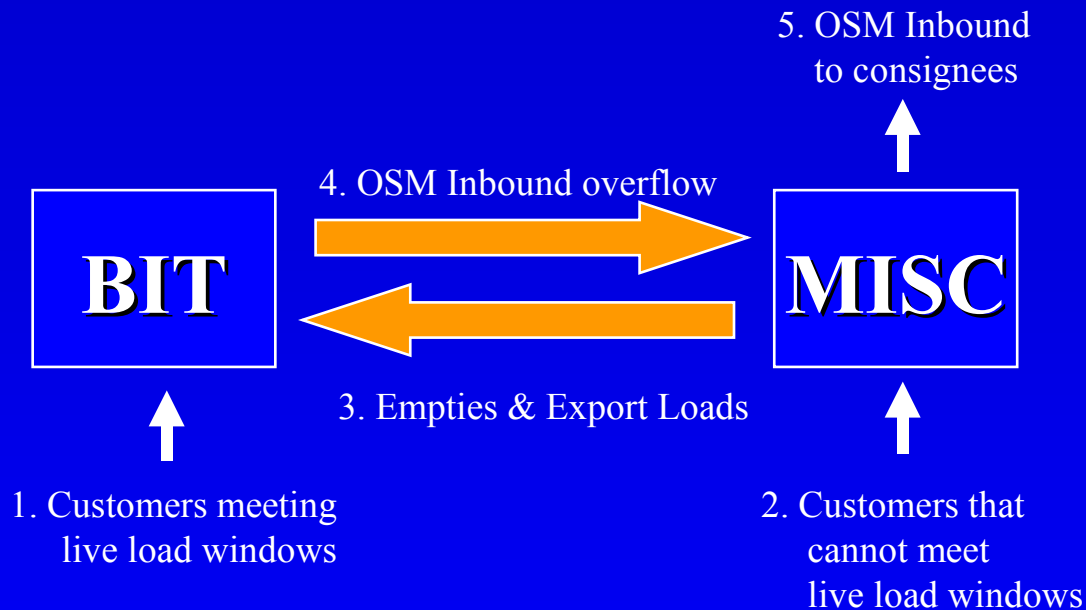
Slot + Gate Reservation

- ✓ Access shipments with clear guarantees

“Innovation” creates capacity

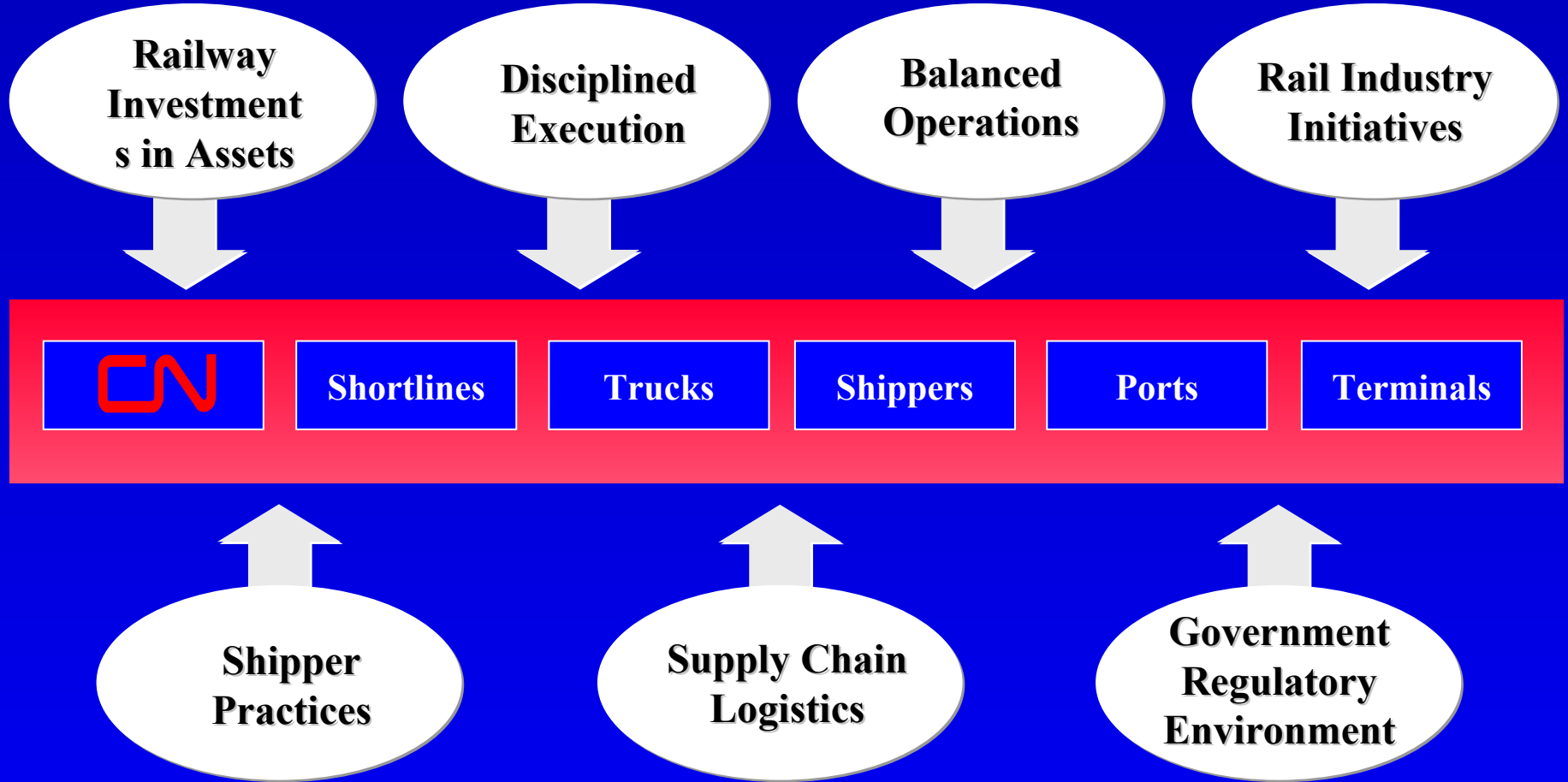
Brampton Terminal (BIT) Debottlenecking - Toronto

- ❑ **Gate-to-Train for Exports**
 - ✓ Reduces terminal handling
 - ✓ Requires less yard space
- ❑ **Container Yard (CY) Services at MISC**
 - ✓ Keep import ground count at BIT at a constant level



**Toronto is a key terminal –
Atlantic Gateway's inland port**

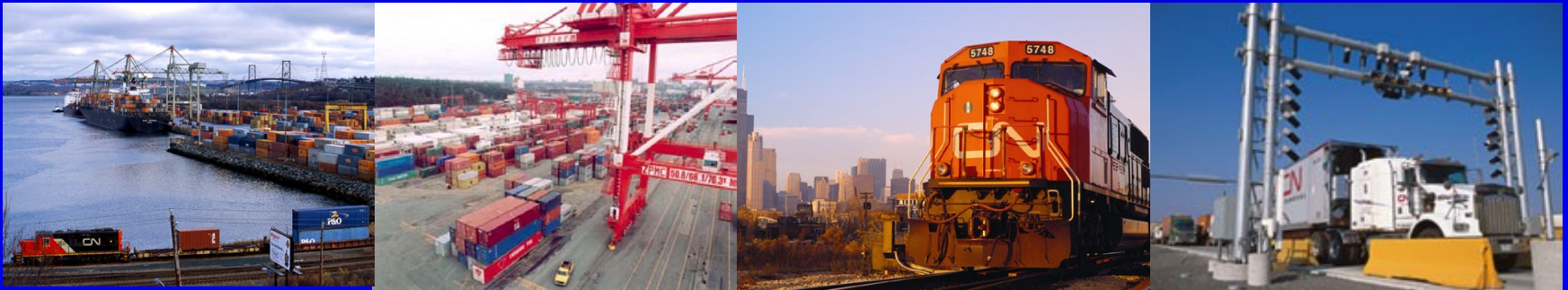
Capacity Was Created As A Team Sport



Shippers and the Port of Halifax have created capacity in the supply chain

Railway - Terminal - Port Coordination

- ❑ CN, Ceres, Halterm and the Halifax Port Authority have worked successfully together to form a single integrated supply chain
- ❑ Network, terminal fluidity and full asset utilization were achieved with a scheduled operation
 - ✓ Together, we coordinated new business across all parties
 - ✓ Ceres and Halterm have worked with customers to schedule and prioritize traffic



**Effective coordination creates fluidity
in the supply chain**

CN WorldWide International: Selling Halifax As A Gateway Of Choice



- ❑ World-Class freight forwarding services - 100% wholly owned CN subsidiary with a centralized European HQ (Rotterdam)
- ❑ Seamless Door-to-Door Service - unprecedented speed, reliability and control
- ❑ Commitment to delivering real benefit and competitive advantage for customers on both sides of the Atlantic



Plans in 2007 to open additional offices in South America, China, Germany, Sweden, Poland and the Czech Republic

CNWW North America & Logistics Parks

- Halifax is part of CNWW's strategy for carload
 - ✓ CN's inland terminals have substantial capacity – Chicago, Memphis, Detroit
 - ✓ There is industrial land adjacent to terminals to develop DC facilities



One-stop logistics product through CN WorldWide North America facilities

Logistics Park - Memphis

- Key destination for Halifax originating traffic
 - Efficient single line, deeper reach in Southern US
- New Intermodal terminal opened in May 2005, lift capacity of 200,000 per year
- Within Frank C. Pidgeon Industrial Park – 3,000 acres of land ready for development



Atlantic Gateway Connection to Europe & the Suez Canal

Intermodal



- Ideal for Suez traffic from India and Asia
- Ability to penetrate deep into the U.S. market
- Container Backhaul Markets – Cotton, Pulp, DDG's and Waste Paper

Carload



- Key imports:
 - Finished vehicles ex Europe arriving at Halifax
 - Jet Fuel, Methanol, Steel, Concentrates
- Key exports: Wheat, Corn

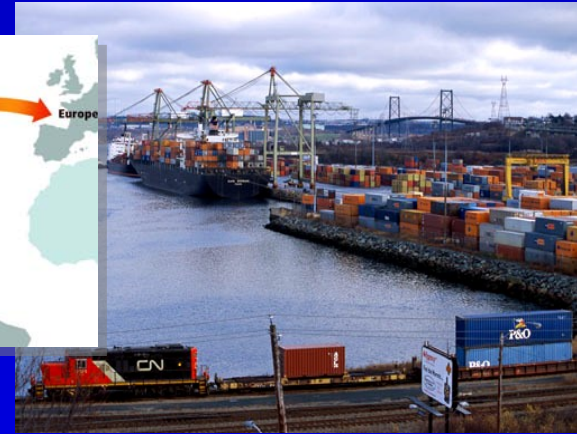
East Coast Competitive Advantage

Positioned For Growth

- ❑ CN will continue to target investments and actions to stay ahead of the capacity curve and support sustainable growth
- ❑ CN will continue to target improved processes and investments to stay ahead of the capacity curve
- ❑ Creating capacity has been a successful team sport:
 - ✓ Railways, Ports, Terminals and Shippers working together
 - ✓ CN's network is fluid and has sustainable capacity for traffic growth
- ❑ CN will continue with its global approach and logistics solutions
 - ✓ CN WorldWide International
 - ✓ CN WorldWide North America

CN and the Atlantic Gateway are *well positioned*
to benefit from the surging overseas growth

CN And The Atlantic Gateway



Well positioned to benefit from overseas growth